



Department of Justice

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JUSTICE DEPARTMENT TAKES 'ONE TWO PUNCH' AGAINST CRIMINAL PRICE FIXERS

UTAH EXPLOSIVES COMPANY AGREES TO PAY A RECORD \$15 MILLION FINE FOR CONSPIRING TO FIX PRICES OF EXPLOSIVES SOLD IN FOUR STATES

WASHINGTON, D.C.--DYNO NOBEL INC., of Salt Lake City, one of the world's largest manufacturers of commercial explosives, today agreed to plead guilty and pay \$15 million in criminal fines for conspiring to fix the prices of commercial explosives sold in Kentucky, Illinois and Indiana, and for eliminating competition in the sale of commercial explosives to three limestone quarries in central Texas, the Department of Justice said. Today's \$15 million is the largest from a single defendant in a criminal antitrust case, exceeding a \$10 million fine imposed just last week on ICI Explosives USA Inc., a Dallas explosives company which was involved in the same criminal price fixing conspiracy.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "Today's record \$15 million fine which topped the recent \$10 million fine, is a real one two punch against criminal price fixers. The message is clear--if you engage in criminal price fixing activities you will face tough, tough penalties."

In a two-count case filed today in the U.S. District Court in Dallas, the Justice Department's Antitrust Division charged

DYNO NOBEL INC. with conspiring from the Fall of 1988 to mid-1992 to fix the prices of commercial explosives offered for sale in the western Kentucky area, including parts of southern Indiana and southern Illinois. DYNO NOBEL INC. was also charged with conspiring from the Fall of 1990 through 1992 to eliminate competition in the sale of explosives to three limestone quarries in central Texas--the Lafarge Corporation quarry in New Braunfels, the Redland Stone quarry in San Antonio and the Texas Crushed Stone quarry in Georgetown.

DYNO NOBEL INC. and its co-conspirators carried out the conspiracy by discussing and agreeing to increase prices for certain commercial explosives and agreeing upon bids or quotes to certain customers. The sale of these commercial explosives, such as dynamite and ammonium nitrate mixed with fuel oil, or ANFO, is an approximately \$1 billion per year market in the United States. The mining, construction, and oil and gas industries are the primary users of large quantities of these explosives.

In a related case, the Antitrust Division filed today a one-count case charging Mine Equipment & Mill Supply Inc., a distributor of commercial explosives based in Dawson Springs, Kentucky, with also participating in the western Kentucky conspiracy. Mine Equipment & Mill Supply Inc., which is 50% owned by DYNO NOBEL INC., agreed to plead guilty and pay a \$1.9 million fine.

Gary R. Spratling, Deputy Assistant Attorney General in charge of criminal matters in the Antitrust Division, said, "You can expect to see higher and higher fines as we crack larger and

larger conspiracies. The average fine imposed on corporations has increased 170 percent in the past three years."

Bingaman said these cases resulted from an ongoing grand jury investigation being conducted by the Division's Litigation I Section with the assistance of the Federal Bureau of Investigation.

Both DYNOL NOBEL INC. and Mine Equipment & Mill Supply, Inc. agreed to cooperate with the government in its on-going investigation. The fines in both cases are subject to court approval.

The maximum penalty for a corporation convicted of a violation of the Sherman Act per count is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

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